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7 September 1982

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Chairman, National Intelligence Council

FROM :
National Intelligence Officer for East Asia

SUBJECT : Talking Points for Your Meetings with
Secretary's Shultz and Weinberger

TALKING POINTS

Actions of the 12th Party Congress in Beijing confirm foreign and domestic policy trends that have emerged over the past year.

The Congress confirmed a foreign policy line that puts distance between China and the United States on policies toward the Third World. The Congress also positioned China to improve state-to-state relations with the Soviet Union provided the Soviets reduce troop levels along the China-Soviet border.

Hu Yaobang's work report to the Congress underscores continuing Chinese concern about the Taiwan Relations Act and confirms our view that future Chinese-US relations are likely to be strained at times.

Most of the institutional changes announced at the Congress were pre-figured in intelligence reporting. The politburo will be gutted in favor of the party secretariat. The positions of chairman and vice chairman of the Party will be abolished. These moves strengthen Deng's position and reduce the possibility that a failed succession could easily turn China away from Deng's pragmatic economic policies.

But Deng did not have his way on everything. The Army successfully resisted Deng's attempt to abolish the party military commission.



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